



## **NJ Businesses Worry ‘Wage Theft’ Crackdown Could Be Unfair**

**By: David Matthau, January 29, 2019**

Efforts are moving forward to toughen the penalties for businesses that cheat New Jersey workers out of their full salaries and benefits, or punishing them if they complain.

During hearings on the proposed changes in the Assembly Labor Committee last Thursday and the State Senate Budget and Appropriations Committee on Monday, concerns were raised about cracking down on firms that may have unknowingly withheld wages because of an accounting mistake.

Existing law calls for a \$100 fine for the first nonpayment of wages, but proposed legislation would increase the penalty to \$500 to \$1,000, or up to three months in jail.

Sal Risalvato, executive director of the New Jersey Gasoline, C-Store and Automotive Association, a group that represents gas station and convenience store owners, said that’s unacceptable because there is no distinction made “between those that cheat their employees and those that make errors and unknowingly may have cheated their employees.”

He pointed out in the businesses he represents, the owner is the one who handles the bookkeeping and everything else, so he’s a one-man band.

"It would be wrong to punish that business owner the same as a business owner that makes a calculation to cheat employees," he said.

When asked what should be done to tweak the legislation to fix it, he said “we want consideration taken for any employer that unknowingly makes a mistake and cheats an employee, particularly if the mistake is corrected.”

He stressed penalties for first-time offenses should remain as they are, at \$100.

Risalvato said “there is no honest business that would condone another business stealing the wages or cheating employees” because they would gain an unfair advantage over competition.

Both the Assembly and State Senate versions of the bills were released by their respective committees, but several lawmakers in both chambers expressed concerns about the severity of first-time punishments.

Senate Budget and Appropriations Committee Chairman Paul Sarlo, D-Bergen, indicated that several amendments were being crafted, including one that would cover first offenses, but he would not elaborate.